

REPORTING ATTACKS FROM NATIONS SELECTED FOR
 OVERSIGHT AND MONITORING WEB ATTACKS AND
 RANSOMWARE FROM ENEMIES ACT

JULY 26, 2022.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

Mr. PALLONE, from the Committee on Energy and Commerce,
 submitted the following

R E P O R T

[To accompany H.R. 4551]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 4551) to amend the U.S. SAFE WEB Act of 2006 to provide for reporting with respect to cross-border complaints involving ransomware or other cyber-related attacks, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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I. PURPOSE AND SUMMARY

H.R. 4551, the “Reporting Attacks from Nations Selected for Oversight and Monitoring Web Attacks and Ransomware from En-

emies (RANSOMWARE) Act,” amends the U.S. SAFE WEB Act of 2006 (SAFE WEB Act) to require the Federal Trade Commission (FTC) to report to Congress, one year after the date of enactment and every two years after, on cross-border complaints received by the FTC, numbers and details of such complaints that were acted upon and not acted upon, and how it used the authorities granted by the SAFE WEB Act in response. The bill amends the existing reporting requirements to require the FTC to, in addition, address cross-border incidents that involve ransomware and other cyberattacks from foreign actors. It also requires the FTC to report on cross-border complaints received that involve ransomware or other cyber-related attacks committed by Russia, China, North Korea, or Iran or individuals or companies that are located in or have ties to those countries.

II. BACKGROUND AND NEED FOR LEGISLATION

Enacted into law on December 22, 2006, the SAFE WEB Act amended the Federal Trade Commission Act of 1914 to improve the FTC’s ability to combat unfair or deceptive acts or practices that are international in scope.¹ Specifically, SAFE WEB Act: (1) affirms the FTC’s cross-border enforcement authority;² (2) authorizes collaboration with foreign law enforcement in the form of investigative assistance³ and information sharing,⁴ provided certain statutory factors are met; (3) bolsters the FTC’s ability to receive information from foreign counterparts by allowing confidential treatment of information received;⁵ and (4) promotes relationship building through staff exchanges with foreign counterparts.⁶

Since the law’s enactment, the FTC has relied on the SAFE WEB Act to respond to 156 information-sharing requests from 38 enforcement agencies in 15 foreign countries.⁷ The FTC has also used the SAFE WEB Act to issue more than 135 civil investigative demands in 63 investigations on behalf of 16 foreign agencies from eight countries.⁸

According to the FTC’s Consumer Sentinel complaint database, there were more than 255,000 complaints from United States consumers against foreign businesses between January 1, 2015, and October 16, 2019.⁹ The total dollar loss from these complaints reportedly exceeds \$410 million.¹⁰

H.R. 4551 requires the FTC to report on the ransomware complaints it receives and explain how it cooperated with international authorities in addressing them. This legislation will increase the FTC’s role in protecting consumers from ransomware and other cy-

¹ Pub. L. No. 109–455.

² *Id.* at § 3.

³ *Id.* at § 4.

⁴ *Id.* at § 6.

⁵ *Id.*

⁶ *Id.* at § 9.

⁷ Letter from Joseph J. Simons, Chairman, Federal Trade Commission; Noah Joshua Phillips, Commissioner, Federal Trade Commission; Rohit Chopra, Commissioner, Federal Trade Commission; Rebecca Kelly Slaughter, Commissioner, Federal Trade Commission; and Christine S. Wilson, Commissioner, Federal Trade Commission, to Rep. Jan Schakowsky, Chairwoman, Subcommittee on Consumer Protection and Commerce, House Committee on Energy and Commerce and Rep. Cathy McMorris Rodgers, Ranking Member, Subcommittee on Consumer Protection and Commerce, House Committee on Energy and Commerce (Oct. 25, 2019).

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

bersecurity attacks by helping it better understand these attacks and how to combat them.

III. COMMITTEE HEARINGS

For the purposes of section 3(c) of rule XIII of the Rules of the House of Representatives, the following hearing was used to develop or consider H.R. 4551:

The Subcommittee on Consumer Protection and Commerce held a legislative hearing on July 28, 2021, on H.R. 4551, the “RANSOMWARE Act,” and 15 other bills. The hearing was entitled “Transforming the FTC: Legislation to Modernize Consumer Protection.” The Subcommittee received testimony from the following witnesses:

- The Honorable Lina Khan, Chair, Federal Trade Commission;
- The Honorable Noah Joshua Phillips, Commissioner, Federal Trade Commission;
- The Honorable Rohit Chopra, Commissioner, Federal Trade Commission;
- The Honorable Rebecca K. Slaughter, Commissioner, Federal Trade Commission;
- The Honorable Christine S. Wilson, Commissioner, Federal Trade Commission;
- David Vladeck, Professor of Law, Georgetown University Law Center;
- Sally Greenberg, Executive Director, National Consumers League; and
- Graham Dufault, Senior Director for Public Policy, ACT | The App Association.

IV. COMMITTEE CONSIDERATION

H.R. 4551, the “Reporting Attacks from Nations Selected for Oversight and Monitoring Web Attacks and Ransomware from Enemies (RANSOMWARE) Act,” was introduced on July 20, 2021, by Representative Gus M. Bilirakis (R-FL) and referred to the Committee on Energy and Commerce. Subsequently, on July 21, 2021, the bill was referred to the Subcommittee on Consumer Protection and Commerce. A legislative hearing was held on July 28, 2021.

On June 23, 2022, the Subcommittee on Consumer Protection and Commerce met in open markup session, pursuant to notice, to consider H.R. 4551 and seven other bills. No amendments were offered during consideration of the bill. Upon conclusion of consideration of the bill, the Subcommittee on Consumer Protection and Commerce agreed to report the bill favorably to the full Committee, without amendment, by a roll call vote of 22 yeas to 0 nays.

On July 20, 2022, the full Committee met in open markup session, pursuant to notice, to consider H.R. 4551 and five other bills. No amendments were offered during consideration of the bill. Upon conclusion of consideration of the bill, the full Committee agreed to a motion on final passage offered by Representative Pallone, Chairman of the Committee, to order H.R. 4551 reported favorably to the House, amended, by a roll call vote of 53 yeas to 0 nays.

V. COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list each record vote on the motion to report legislation and amendments thereto. The Committee advises that there were two record votes taken on H.R. 4551, including a motion by Mr. Pallone ordering H.R. 4551 favorably reported to the House, without amendment. The motion on final passage of the bill was approved by a record vote of 53 yeas to 0 nays. The following are the record votes taken during Committee consideration, including the names of those members voting for and against:

Committee on Energy and Commerce
117th Congress

Subcommittee on Consumer Protection and Commerce

(ratio: 14-10)

ROLL CALL VOTE #7

Bill: **H.R. 4551**, the “Reporting Attacks from Nations Selected for Oversight and Monitoring Web Attacks and Ransomware from Enemies Act” or the “RANSOMWARE Act”

Motion: A motion by Ms. Schakowsky of Illinois to order **H.R. 4551** transmitted favorably to the full Committee, without amendment.

Disposition: **AGREED TO** by a roll call vote of 22 yeas to 0 nays

| REPRESENTATIVE | YEAS | NAYS | PRESENT | REPRESENTATIVE | YEAS | NAYS | PRESENT |
|----------------|------|------|---------|----------------|------|------|---------|
| Ms. Schakowsky | X | | | Mr. Bilirakis | X | | |
| Mr. Rush | X | | | Mr. Upton | X | | |
| Ms. Castor | X | | | Mr. Latta | X | | |
| Ms. Trahan | | | | Mr. Guthrie | X | | |
| Mr. McNerney | X | | | Mr. Bucshon | X | | |
| Ms. Clarke | X | | | Mr. Dunn | X | | |
| Mr. Cárdenas | X | | | Ms. Lesko | X | | |
| Mrs. Dingell | X | | | Mr. Pence | | | |
| Ms. Kelly | X | | | Mr. Armstrong | X | | |
| Mr. Soto | X | | | Mrs. Rodgers | X | | |
| Ms. Rice | X | | | | | | |
| Ms. Craig | X | | | | | | |
| Ms. Fletcher | X | | | | | | |
| Mr. Pallone | X | | | | | | |

Committee on Energy and Commerce
117th Congress

Full Committee
(ratio: 32-26)

ROLL CALL VOTE #133

Bill: **H.R. 4551**, the "RANSOMWARE Act"

Vote: Final Passage

Disposition: **AGREED TO** by a roll call vote of 53 yeas to 0 nays

| REPRESENTATIVE | YEAS | NAYS | PRESENT | REPRESENTATIVE | YEAS | NAYS | PRESENT |
|---------------------|------|------|---------|----------------|------|------|---------|
| Mr. Pallone | X | | | Mrs. Rodgers | X | | |
| Mr. Rush | X | | | Mr. Upton | X | | |
| Ms. Eshoo | X | | | Mr. Burgess | X | | |
| Ms. DeGette | X | | | Mr. Scalise | | | |
| Mr. Doyle | X | | | Mr. Latta | X | | |
| Ms. Schakowsky | X | | | Mr. Guthrie | X | | |
| Mr. Butterfield | X | | | Mr. McKinley | | | |
| Ms. Matsui | X | | | Mr. Kinzinger | | | |
| Ms. Castor | X | | | Mr. Griffith | | | |
| Mr. Sarbanes | X | | | Mr. Bilirakis | X | | |
| Mr. McNerney | X | | | Mr. Johnson | X | | |
| Mr. Welch | X | | | Mr. Long | X | | |
| Mr. Tonko | X | | | Mr. Bucshon | | | |
| Ms. Clarke | X | | | Mr. Mullin | X | | |
| Mr. Schrader | X | | | Mr. Hudson | X | | |
| Mr. Cárdenas | X | | | Mr. Walberg | X | | |
| Mr. Ruiz | X | | | Mr. Carter | X | | |
| Mr. Peters | X | | | Mr. Duncan | X | | |
| Mrs. Dingell | X | | | Mr. Palmer | X | | |
| Mr. Veasey | X | | | Mr. Dunn | X | | |
| Ms. Kuster | X | | | Mr. Curtis | X | | |
| Ms. Kelly | X | | | Ms. Lesko | X | | |
| Ms. Barragán | X | | | Mr. Pence | X | | |
| Mr. McEachin | X | | | Mr. Crenshaw | X | | |
| Ms. Blunt Rochester | X | | | Mr. Joyce | X | | |
| Mr. Soto | X | | | Mr. Armstrong | X | | |
| Mr. O'Halleran | X | | | | | | |
| Ms. Rice | X | | | | | | |
| Ms. Craig | X | | | | | | |
| Ms. Schrier | X | | | | | | |
| Ms. Trahan | X | | | | | | |
| Ms. Fletcher | X | | | | | | |

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VI. OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee are reflected in the descriptive portion of the report.

VII. NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

The Committee has requested but not received from the Director of the Congressional Budget Office a statement as to whether this bill contains any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

VIII. FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

IX. STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the general performance goal or objective of this legislation is to amend the U.S. SAFE WEB Act of 2006 to provide for reporting with respect to cross-border complaints involving ransomware or other cyber-related attacks.

X. DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 4551 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111-139 or the most recent Catalog of Federal Domestic Assistance.

XI. COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(1) of rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

XII. EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

Pursuant to clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H.R. 4551 contains no earmarks, limited tax benefits, or limited tariff benefits.

XIII. ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

XIV. APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

XV. SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 designates that the short title may be cited as the “Reporting Attacks from Nations Selected for Oversight and Monitoring Web Attacks and Ransomware from Enemies Act” or the “RANSOMWARE Act.”

Sec. 2. Ransomware and other cyber-related attacks

Section 2 amends the SAFE WEB Act to require the FTC to report to Congress, one year after the date of enactment, and every two years after, on cross-border complaints received by the FTC and how it used the authorities granted by the SAFE WEB Act in response. This section also amends the existing reporting requirements to specifically address cross-border incidents that involve ransomware and other cyberattacks from foreign actors.

Sec. 3. Report on ransomware and other cyber-related attacks by certain foreign individuals, companies, and governments

Section 3 requires the FTC to report to the House Committee on Energy and Commerce and the Senate Committee on Commerce, Science, and Transportation, one year after the date of enactment, and every two years after, on cross-border complaints received by the FTC on incidents, numbers and details of such complaints that were acted upon and not acted upon, including those related to ransomware and cyberattacks committed by certain foreign actors from Russia, China, Iran, and North Korea. The report would also include any recommendations for legislation to advance the security of the U.S. and U.S. companies against ransomware and other cyberattacks as well as recommendations for best practices to mitigate against ransomware.

XVI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

U.S. SAFE WEB ACT OF 2006

* * * * *

SEC. 14. REPORT.

[Not later than 3 years after the date of enactment of this Act,] *Not later than 1 year after the date of enactment of the Reporting Attacks from Nations Selected for Oversight and Monitoring Web Attacks and Ransomware from Enemies Act, and every 2 years thereafter,* the Federal Trade Commission shall transmit to Congress a report describing its use of and experience with the authority granted by this Act, along with any recommendations for additional legislation. The report shall include, *with respect to the 2-year period preceding the date of the report (or, in the case of the first report transmitted under this section after the date of the enactment of the Reporting Attacks from Nations Selected for Oversight and Monitoring Web Attacks and Ransomware from Enemies Act, the 1-year period preceding the date of the report)*—

(1) the number of cross-border complaints received by the Commission;

(2) identification of the foreign agencies to which the Commission has provided nonpublic investigative information under this Act;

(3) the number of times the Commission has used compulsory process on behalf of foreign law enforcement agencies pursuant to section 6 of the Federal Trade Commission Act (15 U.S.C. 46), as amended by section 4 of this Act;

(4) a list of international agreements and memoranda of understanding executed by the Commission that relate to this Act;

(5) the number of times the Commission has sought delay of notice pursuant to section 21A of the Federal Trade Commission Act, as added by section 7 of this Act, and the number of times a court has granted a delay;

(6) a description of the types of information private entities have provided voluntarily pursuant to section 21B of the Federal Trade Commission Act, as added by section 8 of this Act;

(7) a description of the results of cooperation with foreign law enforcement agencies under section 21 of the Federal Trade Commission Act (15 U.S.C. 57-2) as amended by section 6 of this Act;

(8) an analysis of whether the lack of an exemption from the disclosure requirements of section 552 of title 5, United States Code, with regard to information or material voluntarily provided relevant to possible unfair or deceptive acts or practices, has hindered the Commission in investigating or engaging in enforcement proceedings against such practices**;** and**;**

(9) a description of Commission litigation brought in foreign courts**;** and

(10) *the number and details of cross-border complaints received by the Commission that involve ransomware or other cyber-related attacks—*

(A) that were committed by individuals located in foreign countries or with ties to foreign countries; and

(B) that were committed by companies located in foreign countries or with ties to foreign countries.